

April 11th, 2025 | Volume 1 | Issue 2

Check out InfoSight today!

For MCUL Compliance, Advocacy and other news, check out the MILeague Minute!

League InfoSight Highlights

INF@SIGHT360

InfoSight360 New Feature Overview: Draft Mode

Draft Mode is a powerful new editing feature available in CU PolicyPro and RecoveryPro which provides users with more flexibility and control over the content being published. Traditionally, when you publish content, the content that is in the editor at the time of publishing is what is included in the final published document. With Draft Mode, users now have the option to choose between the current draft of their content and the version that was previously published.

How Draft Mode Works:

- 1. Content Editing: Users can customize and work on individual sections of content within the editor. If a section of content is in the process of being edited and is not yet finalized, users can click the Draft Mode checkbox to indicate that section is a draft. This clearly marks the content as still in progress.
- 2. Draft Mode Option When Publishing: When you're ready to publish, any section of content marked as a draft will give you the option to choose between:
 - o **Draft Version**: The system will include the content currently in the editor. It may still be a work in progress and might not be fully finalized.
 - **Previously Published Version**: The system will include the most recent published version of that section in the Published Document, rather than using the draft content currently in the editor.

Note: If the content has never been published before, the option to use the Previously Published version will not be available, and the Draft version will be used. The system will clearly indicate when only Draft content is available.

With Draft Mode, you no longer need to worry about accidentally publishing incomplete or unpolished content, as you now have the option to review and decide which version to include in the published document.

CFPB to Reopen Small Business Lending Data Collection Rule

In a filing submitted in connection with a lawsuit in the US District Court for the Southern District of Florida challenging the small business lending data collection rule, the Consumer Financial Protection Bureau (CFPB) has indicated its intent to reopen the rule to make changes. According to the filing, the agency intends to issue a notice of proposed rulemaking as expeditiously as reasonably possible.

By way of reminder, the rule is currently stayed by the 5th Circuit in companion litigation, but only for members of America's Credit Unions, the American Bankers Association, and other plaintiffs/intervenors. All other covered financial institutions are required to begin complying with the rule as soon as July 18, 2025 (depending on loan volume).

The CFPB's filing in Florida also stated that the agency agrees that "subjecting similarly situated entities to different compliance dates for Section 1071's data collection requirements would not serve the public interest." As a result, it is anticipated that the agency will announce that it does not intend to enforce the rule, in its current form, against any institution. Stay tuned for further developments.

MCUL Education Training & Events

Registration Open!

Spring Leadership Development Conference

April 25-27, 2025 | Soaring Eagle Casino & Resort, Mt. Pleasant

https://cvent.me/g58qWO?RefId=SLDC_IS

Branch Manager Training

April 2, 2025 | Virtual and at The Henry Center, Lansing

https://cvent.me/obLqGD?RefId=BM_IS

Connect: Women's Leadership Conference (Hosted by the Illinois League)

May 15, 2025 | Westin, Chicago Lombard, Illinois https://cvent.me/azK5oV?RefId=WLC_IS

Young Professionals Leadership Summit

June 4, 2025 | Amway Grand Plaza, Grand Rapids

https://cvent.me/xbLZwR?RefId=YP_IS

ACE25 (Formerly known as Annual Convention & Exposition)

June 4-6, 2025 | Amway Grand Plaza and DeVos Place, Grand Rapids https://cvent.me/xb2ozX?RefId=ACEis

Learn More!

HERO 25

July 16-17, 2025 Crystal Mountain, Thompsonville https://cvent.me/ODzN8B?RefId=HERO IS

Executive Summit

September 10-12, 2025 Grand Hotel, Mackinac Island https://cvent.me/RxAZYg?RefId=ES_IS

League InfoSight Masterclass™

October 6-10, 2025 The Henry Center, Lansing https://cvent.me/wkVBIL?RefId=LIS IS

Watch for More Details!

MCUL Government Affairs Conference May 14, 2025

DoubleTree, Lansing

Fall Leadership Development Conference

September 12-14, 2025 Grand Traverse Resort & Spa, Traverse City

CUltivating Leaders Workshop

October 15, 2025

(Networking Mixer Oct. 14; Tentative Date) The H Hotel, Midland

MCUL Compliance Events

Compliance Office Hours

Formerly SAS Compliance Office Hours, the group has been expanded to all credit unions in MI, regardless of size. Join us each month where we'll work through your compliance challenges in a group setting.

When: 1st Friday of every month

Time: 9:00 am

Join us for the next session, scheduled for Friday, May 2nd.

REGISTER HERE

Cheers! to Compliance

Our first Cheers! to Compliance session of 2025 took place LIVE during the MCUL Marketing, Compliance & YOU Conference. During this session, we had a lively discussion on the regulatory state at current, accompanied by drinks and some light speculation!

Our next event will return to the Zoom format. Register early, mark your calendars, and watch for additional details as they become available.

Date: Friday, June 20th Time: 3:30pm Register: **Zoom**

Also, mark your calendars and register early for the Q3, and Q4 Cheers! events:

September 26th December 12th

From the Regulators

CFPB

Weekly Overview: CFPB in Crisis—Litigation, Leadership Limbo, and Regulatory Retreat

This week, the Consumer Financial Protection Bureau (CFPB) continues to be the epicenter of legal and political upheaval as the agency fights for institutional survival amid an aggressive effort by the Trump administration to overhaul and/or dismantle it.

On Tuesday, a federal appeals court temporarily blocked a lower court's injunction that had halted major administrative changes at the CFPB. The injunction, issued by U.S. District Judge Amy Berman Jackson, had accused the administration of "an orchestrated plan to eliminate the agency quickly and non-statutorily," highlighting mass terminations, a halt to all operations, and what she described as a clear violation of the separation of powers. The appellate court's administrative stay doesn't decide the case on the merits but temporarily restores the status quo prior to Jackson's ruling while the appeal is reviewed.

This legal battle stems from a lawsuit filed by the National Treasury Employees Union and consumer groups who argued that the Trump administration's moves to "freeze" the Bureau via stop-work orders, headquarters closures, mass layoffs, and cancellation of contracts were tantamount to an illegal agency shutdown. Meanwhile, hundreds of dismissed employees have been reinstated under judicial orders, and the CFPB remains in an awkward limbo, operating under judicial supervision and awaiting further direction from both the courts and Congress.

Adding to the uncertainty, Jonathan McKernan, President Trump's nominee to lead the CFPB, awaits Senate confirmation. McKernan has signaled a more moderate regulatory stance and pledged to refocus the Bureau on core statutory mandates and enforcement targeting "bad actors," though he has shown support for Chopra-era data privacy initiatives. Confirmation is expected later this month.

Amid this leadership transition, the CFPB is also revisiting or walking back key rulemakings:

- The controversial Section 1071 small business lending data rule is being reopened following litigation and industry pushback. Credit unions and financial institutions hope the revised rule will scale back extensive data collection mandates that exceed statutory requirements.
- The CFPB announced it would not enforce its Payday Lending Rule, focusing instead on broader consumer protection priorities, especially for servicemembers.
- Several proposed rules—including those amending Regulations V and AA—have sparked strong opposition from America's Credit Unions, who argue the rules are overly broad, legally questionable, and would create costly compliance burdens without tangible consumer benefits.
- A proposed amendment redefining "identity theft" under Regulation V is under fire for potentially enabling bad actors to abuse self-attestation processes, thereby compromising credit data integrity.

Additionally, both the Senate and the House have passed resolutions to nullify the overdraft lending rule, leaving only the President's signature remaining before the highly-contentious rule disappears – before it ever saw implementation. Together, these events highlight an agency under extreme scrutiny and in transition, as it navigates legal constraints, partisan headwinds, and a redefinition of its regulatory scope. Whether the CFPB can emerge as a revitalized and refocused entity or continues to unravel will depend on pending court rulings, McKernan's confirmation, and how far the administration is willing to go in reshaping federal consumer protection from the top down.

Reference Reading:

- America's Credit Unions CFPB to initiate new section 1071 rulemaking
- New York Times Judge Grants Injunction to Prevent Consumer Bureau From Being 'Dissolved and Dismantled'
- American Banker Senate votes to nullify CFPB overdraft rule
- Consumer Finance Monitor CFPB to Reopen Rulemaking on the Section 1071 Small Business Loan Data Collection and Reporting Rule
- America's Credit Unions CFPB proposed rule amending Regulation AA raises credit union concerns
- America's Credit Unions CFPB should withdraw proposed rule amending data broker practices
- Orrick InfoBytes CFPB announces it will not enforce its payday lending rule
- America's Credit Unions CFPB proposal amending Regulation V does not consider bad actor
- Consumer Finance Monitor Appeals Court blocks judge's order temporarily prohibiting large-scale changes at CFPB
- Husch Blackwell The State of the CFPB During a Fraught Transition Period: Part I America's Credit Unions – House passes resolution to nullify CFPB's overdraft rule
- <u>Consumer Finance Monitor</u> House sends Trump resolution to nullify CFPB overdraft rule

FinCEN

FinCEN Issues Analysis of Fentanyl-Related Threat Patterns and Trends in Bank Secrecy Act Reports **Read More**

FinCEN has) issued a Financial Trend Analysis focused on patterns and trends identified in Bank Secrecy Act (BSA) data linked to fentanyl-related illicit finance. Between January and December 2024, financial institutions filed 1,246 BSA reports that identified suspected fentanyl-related activity amounting to approximately \$1.4 billion in suspicious transactions. The reported financial activity highlighted various aspects of the illicit fentanyl supply chain—including precursor chemical procurement, fentanyl trafficking, and fentanyl-linked money laundering—that have touchpoints

FinCEN News & Updates

across the U.S. financial sector. **Financial Trend Analysis**

FinCEN Convenes FinCEN Exchange Sessions to Provide Stakeholders with Information About

U.S. Southwest Border Geographic Targeting Order FinCEN-Related News

PYMNTS: Congress Urged to Reform AML Rules, Repeal Corporate Transparency Act Amid Rising Fraud Costs

CDFI Fund

CDFI Fund Announces Updated Calendar for CDFI Certification Monthly Webinars

Read More

The Community Development Financial Institutions Fund's (CDFI Fund's) monthly Community Development Financial Institution (CDFI) Certification webinars are intended to serve as a forum for potential CDFI Certification Applicants, Certified CDFIs, and other CDFI Certification stakeholders to ask questions and discuss CDFI Certification and the CDFI Certification process. The webinars are open to the general public and do not require advance registration.

Additional Dates & Subject Matter Briefings Added to Calendar

Updated CDFI Certification Webinar Schedule

Date	Time	Webinar Topic
April 17, 2025	3:00-4:15 PM ET	Application "Hot Topics" (Click <u>HERE</u> to join)
May 01, 2025	3:00-4:15 PM ET	General Q&A
May 15, 2025	3:00-4:15 PM ET	General Q&A
June 12, 2025	3:00-4:15 PM ET	Material Events
June 26, 2025	3:00-4:15 PM ET	Recap: Certification Agreements and Collective Review

CDFI Fund targeted by Executive Order: Running Updates

Read More

President Donald Trump signed a Presidential Action on March 14th limiting the Community Development Financial Institutions (CDFI) Fund to only its legally required functions and personnel. Treasury Secretary Scott Bessent assured that the administration values CDFIs and their role in economic growth. The Treasury Department must review all CDFI programs by March 21st to determine which have statutory authorization. Programs with clear legal backing, such as the Small Dollar Loan Program, are more likely to continue, while discretionary or non-statutory programs face potential cuts. CDFI credit unions should assess potential impacts and prepare for possible delays due to staffing reductions. America's Credit Unions is advocating to preserve the CDFI Fund and seeking clarifications from the Treasury Department.

Additional relevant information:

- America's Credit Unions: New Executive Order looks at CDFI Fund, raises uncertainty of grants
- America's Credit Unions <u>Letter</u> to Treasury Department on Future of the CDFI Fund

Running Updates:

- America's Credit Unions 3/18/25 Bessent: 'CDFIs are key component' to support Main Street
- America's Credit Unions 3/20/25 Bipartisan group of Senators respond to CDFI executive order
- America's Credit Unions 3/23/25 Some CDFIs receive indication from Treasury that programs 'are statutorily authorized'
- America's Credit Unions 3/30/25 Treasury to OMB: All CDFI programs are required by law

Other CDFI-Related News

- CDFI FUND IMPACT BLOG The Critical Role of the ACR: What CDFIs Need to Know
- <u>National Law Review</u> Treasury Confirms All CDFI Fund Programs Are Backed by Law Amid Executive Order Review

Michigan

MICHIGAN UNCLAIMED PROPERTY REMINDER: OBLIGATION TO REPORT AND NOTICE OF CHANGES

This is a reminder that your 2025 Annual Report of Unclaimed Property is due the first business day of July, and MI Treasury wants to make that process as easy as possible. Please visit the <u>Unclaimed Property</u> website which allows businesses and other entities to file reports and make ACH debit payments electronically.

What do I need to do?

The <u>Manual for Reporting Unclaimed Property</u> contains general instructions, a summary of new reporting requirements, a detailed list of all reportable types of property, associated dormancy periods, and other important information.

What if I forgot to report previous years?

If you have properties that should have been previously reported, Treasury offers an opportunity to avoid penalty and interest charges through its <u>Voluntary Disclosure Program</u>.

What if I have nothing to report?

Entities incorporated, domiciled or with a strong business presence in Michigan with no unclaimed property to report in 2025 are strongly encouraged to create a Zero/Negative Report using the simple online process. This will establish a filing history and document your compliance with Michigan's Unclaimed Property Act. Those meeting the parameters described above should file a negative report using the online process; do not submit a NAUPA file. Detailed instructions for submitting a negative report can be found on page 15 of the Manual.

If you have questions regarding your responsibilities to report unclaimed property, call 517-636-6940 or e-mail TreasUPDReporting@michigan.gov. If you are contacted by owners whose assets have been turned over as unclaimed property, please direct them to visit

https://unclaimedproperty.michigan.gov or call 517-636-5320 for information on filing a claim.

Other Noteworthy News

- <u>Cooley</u>: FDIC: Banks Can Engage in Crypto-Related Activities Without Prior Notice
 <u>PYMNTS: Congress Urged to Reform AMI Rules Repeal Corporate Transparency Amiliana Company (1988)</u>
- <u>PYMNTS</u>: Congress Urged to Reform AML Rules, Repeal Corporate Transparency Act Amid Rising Fraud Costs
 America's Credit Unions Compliance Blogs ECC delays effective data of Respection of Cons
- America's Credit Unions Compliance Blog: FCC delays effective date of Revocation of Consent rule until April 11, 2026

Submitted Regulatory Comment Letters

Regulatory Response Letters

- <u>CFPB Advanced Notice of Proposed Rulemaking</u>: Fair Credit Reporting Act (Regulation V); Identity Theft and Coerced Debt
 • America's Credit Unions Response Letter (News Report)
 - America's Credit Unions <u>Response Letter</u> (<u>News Report</u>)

Other Letters to Regulators

- America's Credit Unions Urges Reconsideration of Fannie Mae Cyber Incident Reporting Requirement
 - o In response to a recent Fannie Mae update to its <u>Selling Guide</u> that required lenders to report cybersecurity incidents within 36 hours, rather than the 72-hour timeframe required by the NCUA and the Cyber Incident Reporting for Critical Infrastructure Act, America's Credit Unions wrote to urge Fannie Mae to reconsider the new standard. A 36-hour reporting timeframe does not provide sufficient time for forensic analysis and could result in a high number of false positive reports.
 - Read the letter and Read the news story.

Open Comment Calls

If you have input on any comment calls below that you would like to provide for consideration, please direct them to Bradley.Willett@mcul.org no later than 3 weeks prior to the comment due date.

CFPB Request for Information: Regarding the Collection, Use, and Monetization of Consumer Payment and Other Personal Financial Data

Docket No. CFPB-2025-0005

The Consumer Financial Protection Bureau (CFPB) is seeking comments from the public to better understand how companies that offer or provide consumer financial products or services collect, use, share, and protect consumers' personal financial data, such as data harvested from consumer payments. The submissions in response to this request for information will serve to assist the CFPB and policymakers in further understanding the current state of the business practices at these companies and the concerns of consumers as the CFPB exercises its enforcement, supervision, regulatory, and other authorities.

Related Materials:

- <u>CFPB Blog</u>: LFG (Looking for gamers): CFPB wants to hear about your video game loot
- <u>CU Today</u>: CFPB Seeks Input On Digital Payment Privacy And Consumer Protections

FCC Request for Comment: Information Collection Being Submitted for Review and Approval to Office of Management and Budget

Docket No. OMB 3060-0999

The Federal Communications Commission (FCC) released a public notice seeking comment on what agency rules it should review or potentially eliminate. The notice was issued following recent executive orders calling for deregulation. Comments are due by April 11.

"Specifically, we are seeking public input on identifying FCC rules for the purpose of alleviating unnecessary regulatory burdens. We seek comment on deregulatory initiatives that would facilitate and encourage American firms' investment in modernizing their networks, developing infrastructure, and offering innovative and advanced capabilities... We also invite more general comment on rules that should be considered for elimination on other grounds," the notice reads.

Additional relevant information:

 America's Credit Unions: FCC seeks public comment on rules to review, eliminate

FinCEN Interim Final Rule: Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension

Docket No. FINCEN-2025-0001

Interim Final Rule Effective Date: March 26, 2025

FinCEN has issued an interim final rule removing the requirement for U.S. companies and U.S. persons to report beneficial ownership information (BOI) under the Corporate Transparency Act. The interim final rule revises the definition of "reporting company" in its implementing regulations to mean "only those entities that are formed under the law of a foreign country and that have registered to do business in any U.S. State or Tribal jurisdiction ("foreign reporting companies") by filing of a document with the secretary of state or similar office."

Key changes include:

- U.S. entities and their beneficial owners are now exempt from BOI reporting.
- The definition of "reporting company" now applies only to foreign entities registered to do business in the U.S.
- Foreign entities meeting this new definition must still report their BOI under revised deadlines but do not have to report U.S. persons as beneficial owners.

New BOI reporting deadlines for foreign entities:

- Entities registered before the rule's publication must file BOI reports within 30 days.
- Entities registered after the rule's publication must file within 30 days of registration approval.

NACHA Request for Information: International ACH Transactions (IAT) and Related Topics

Nacha is seeking information from the industry on four additional topics related to International ACH Transactions (IATs).

- IAT Data Quality
- Additional Addenda Records
- Additional Indicator
- Communication of Changes

A Request for Information (RFI) is not a proposal to amend the Nacha Operating Rules. The purposes of the RFI are to gather information related to the improvement of IAT resources, socialize potential changes to the Nacha Operating Guidelines, and determine whether there is any potential need for additional rulemaking.

NACHA Request for Comment: International ACH Transactions (IAT) and Related Topics

Nacha is issuing for comment five specific proposals to amend the Rules on International ACH Transactions (IAT), in addition to two related proposals that establish a distinct Return Reason Code for OFAC-specific returns and clarify the use of valid characters within all ACH records (regardless of SEC Code):

- 1. Revise the definition of IAT.
- Eliminate the restriction on IATs for same-day processing.
 Enable the optional inclusion of Date of Birth in the IAT format
- using optional fields.

 4. Allow identification of foreign source or foreign destination of
- funds from non-traditional financial institutions.

 5. Require financial institutions to register an IAT contact in the ACH
- Contact Database.
- 6. Define valid characters for ACH Records.
- 7. Establish a Return Reason Code (R90) to specifically designate when a return is processed per OFAC instructions.

Additionally, Nacha is requesting comment on ten specific "IAT/not IAT" scenarios to be added to the Nacha Operating Guidelines related to ecommerce marketplace processing.

Related Materials:

- Executive Summary
 - <u>Presentation</u>
 - Proposed Modification to the Rules

Comments Due: April 11, 2025

Agency Announcement

Federal Register
Regulations.gov

Comments Due: April 11, 2025

Agency Announcement

Federal Register

Regulations.gov

Comments Due: May 27, 2025

Agency Announcement
Federal Register
Regulations.gov

Comments Due: May 30, 2025

Agency Announcement

Federal Register Regulations.gov

Comments Due: May 30, 2025

Agency Announcement
Federal Register

Regulations.gov

- ACH Participant Survey
 - Stand-alone IAT E-Commerce Marketplace Scenarios

Questions, Comments, Concerns? We are here to help! Email us at ComplianceHelpline@mcul.org

If this newsletter was forwarded to you and you'd like your own emailed copy, or wish to be removed from this list, please contact Bradley.Willett@mcul.org